



**SUPPORT**  
**Senate Bill 334**  
**Electricity – Standard Offer Service – Renewable Energy**

**Finance Committee**  
**February 1, 2022**

Honorable Delores Kelley  
Chair, Finance Committee  
3 East  
Miller Senate Office Building  
Annapolis, Maryland 21401

Chair Kelley, Vice-Chair Feldman, and members of the Committee,

On behalf of the Chesapeake Energy Storage and Solar Association (CHESSA), thank you for the opportunity to issue our **SUPPORT** of **Senate Bill 334**, requiring electric companies to procure 25 percent of their RPS requirement via long term contracts. These competitively bid contracts of 10-20 years in term ensure there are buyers for the energy produced and give lenders the surety to invest the upfront capital to build the projects. Simply put, longer contract duration combined with improved lender surety will translate to lower cost renewable electricity.

In addition to the importance of creating a mechanism to expand the growth of renewable energy projects in the state, CHESSA supports this legislation for two reasons. First, this program has the potential to save ratepayers money as has been demonstrated and projected in other states. Long-term contract costs per kilowatt hour are fixed over the life of the contract. Therefore, when fossil fuel energy procured on the spot market exceeds the value of the fixed price in the long-term contract, ratepayers are not impacted. Second, this bill permits long-term contracts only for renewable energy projects such as wind, solar, and geothermal as defined in the legislation. This ensures that the new projects built as a result of this legislation will have a true impact on reducing the state's carbon footprint.

On behalf of CHESSA, thank you for your support of Maryland's solar industry and urge of favorable report on Senate Bill 334.

Submitted by:  
Isaac Meyer, Compass Government Relations Partners on behalf of CHESSA